

**01 DEPARTMENT OF AGRICULTURE, CONSERVATION & FORESTRY**

**015 MAINE MILK COMMISSION**

**Chapter 29: DEALER MARGINS**

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**SUMMARY:** This rule identifies the cost of processing and distributing milk in Maine based on a study of Maine conditions.

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| DEALER MARGINS  |                |               |            |            |            |
|---|----------------|---------------|------------|------------|------------|
|   | Plastic Gallon | Plastic ½ Gal | Plastic Qt | 20-Qt Bulk | 10-Qt Bulk |
| <b>Plant Costs</b>  |                |               |            |            |            |
| Processing cost   | \$0.7296       | \$0.4091      | \$0.3020   | \$5.6453   | \$3.2074   |
| Delivery cost (drop-metro)                                  | \$0.4299       | \$0.2149      | \$0.1075   | \$2.1493   | \$1.0746   |
| <b>Total plant costs</b>                                    | \$1.1595       | \$0.6240      | \$0.4095   | \$7.6706   | \$4.2820   |
| <b>Maine Milk Commission Fee Adjustment</b>                 | \$0.0022       | \$0.0011      | \$0.0005   | \$0.0108   | \$0.0054   |
| <b>Dealer Margin with rate of return on operating costs</b> | \$1.1907       | \$0.6407      | \$0.4203   | \$8.0005   | \$4.3946   |

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The Dealer Margin equals the total plant costs plus the Commission fee adjustment and a 2.5% return on operating costs. In addition a 1% rate of return on the monthly cost of milk will be added each month. Prices in the computation row (bottom line) of Table are the dealer margins for various containers before the 1% return on the cost of milk.

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Date of Adoption:

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Tim Drake, Executive Director  
Maine Milk Commission

